

**MINUTES OF THE MEETING OF
THE REDEVELOPMENT COMMISSION OF GREENSBORO
PLAZA LEVEL CONFERENCE ROOM
MELVIN MUNICIPAL OFFICE BUILDING
FEBRUARY 11, 2010**

The Redevelopment Commission of Greensboro met in a regular session in the Plaza Level Conference Room, Melvin Municipal Office Building, on Thursday February 11, at 4:30 PM. Commissioners present were: Chair Jerry Leimenstoll, Angela Carmichael, Cassandra Rogers, Bob Mays, and Dawn Chaney. Staff included Dan Curry, Dyan Arkin, and Barbara Harris, representing the Housing and Community Development Department (HCD). Also present was Jim Blackwood, Esq., attorney for the Commission.

Chair Jerry Leimenstoll welcomed member Dawn Chaney to the Commission.

1. ELECTION OF 2010 RCG OFFICERS

After some discussion among the Commission the following elections were made:

Bob Mays moved that Jerry Leimenstoll be elected as Chair and Angela Carmichael be elected as Vice Chair, seconded by Cassandra Rogers. The Board voted unanimously, 5-0, in favor of the motion. (Ayes: Leimenstoll, Carmichael, Rogers, Mays, Chaney. Nays: None.)

Mr. Mays moved that Shawna Tillery be removed as Assistant Secretary, and that the Commission retain Dan Curry, Dyan Arkin, and Barbara Harris as Assistant Secretaries, seconded by Ms. Rogers. The Board voted unanimously, 5-0, in favor of the motion. (Ayes: Leimenstoll, Carmichael, Rogers, Mays, Chaney. Nays: None.)

Chair: Jerry Leimenstoll

Vice Chair: Angela Carmichael

Assistant Secretaries: Dan Curry, Dyan Arkin, and Barbara Harris

2. APPROVAL OF THE MINUTES OF NOVEMBER 12, 2009 REGULAR MEETING

Chair Leimenstoll stated that it was appropriate for Ms. Chaney to recuse herself from the votes on the minute approvals because she was not present during the meetings. Ms. Chaney and the Commission agreed.

Mr. Mays moved that the Commission approve the minutes as submitted, seconded by Ms. Rogers. The Commission voted unanimously, 4-0, in favor of the motion. (Ayes: Leimenstoll, Carmichael, Rogers, Mays. Nays: None.)

3. APPROVAL OF THE MINUTES OF NOVEMBER 30, 2009 SPECIAL MEETING

Mr. Mays moved that the Commission approve the minutes as submitted, seconded by Ms. Rogers. The Commission voted unanimously, 4-0, in favor of the motion. (Ayes: Leimenstoll, Carmichael, Rogers, Mays. Nays: None.)

4. APPROVAL OF THE MINUTES OF DECEMBER 21, 2009 SPECIAL MEETING

Ms. Rogers asked that the minutes be amended to say the meeting was held in the Council Chambers.

Mr. Mays moved that the Commission approve the minutes as amended, seconded by Ms. Rogers. The Commission voted unanimously, 4-0, in favor of the motion. (Ayes: Leimenstoll, Carmichael, Rogers, Mays. Nays: None.)

5. SOUTH ELM STREET REDEVELOPMENT AREA: Rescind Resolution to Sell Property Generally Known as 104 E. Lee St., 124 E Lee Street and 508 Arlington St., Greensboro, NC (Guilford County Tax Map Nos. 17-1-2, 3 & 6)

Ms. Arkin stated that these properties were originally supposed to be sold to the Ole Asheboro Neighborhood Association for the development of a hotel. The development group has settled on a property outside of the South Elm St. Redevelopment Area and asked that their request be withdrawn, so the resolution for the sale needs to be rescinded.

Mr. Mays asked what the cost of the appraisal was. Ms. Arkin estimated the cost of the study at \$6,000. Chair Leimenstoll asked if any other expenses were incurred. Ms. Arkin stated that there was substantial staff time spent on the matter. Ms. Arkin and Mr. Curry mentioned other related costs such as newspaper notices for public hearing and the STAR report that was done for the City of Greensboro. The STAR report cost approximately \$5000, and those items were paid out of the HCD budget for the City of Greensboro. Mr. Curry stated that staff could provide an accounting of expenses to the Commission related to this project. Mr. Mays stated that it was important from his perspective to have a list of associated costs for two purposes: transparency as to due diligence that was done in this case and to tell us what these things cost in case it comes up again in the future.

Jim Blackwood, in response to the Commission, stated that the Commission needed to make a motion to rescind the Resolution to Sell Property, adopted at the December 21 Special Meeting, at the appraised value of \$1.1 million.

Mr. Mays moved to rescind the Resolution to Sell Property Generally Known as 104 E. Lee St., 124 E Lee St. and 508 Arlington St., Greensboro, NC (Guilford County Tax Map Nos. 17-1-2, 3 & 6) to the Ole Asheboro Neighborhood Association, at the appraised value of \$1.1 million, subject to the various terms and conditions of the sale agreement, seconded by Ms. Rogers. The Commission voted unanimously, 5-0, in favor of the motion. (Ayes: Leimenstoll, Carmichael, Rogers, Mays, Chaney. Nays: None.)

6. SOUTH ELM STREET REDEVELOPMENT AREA: Disposition and Development Procedures and Schedule

Mr. Curry stated that the development plan is basically where it was four months ago before the site tour to explore a proposal: the Commission has property of 6.8 acres, in the process of site remediation to get the land ready to sell to a developer, and the plan is to initiate marketing and ultimate sale of the property. Staff is prepared to go forward aggressively. Staff thinks the site is one the development community will want and has tremendous value. It will be well-prepared and has incentives. Marketing will focus on the positive highlights of the area including the ongoing development in Downtown. Staff is prepared to pick up with marketing over the next several months and intends to have a development prospectus prepared 60 days from now.

Staff thinks it is important to begin to position this project to market the site locally, regionally and perhaps nationwide. The marketing consultant, Community Retail Catalysts, has begun helping staff think through the steps to develop products that will market this site appropriately. Community Retail Catalysts has revamped the project website.

Mr. Mays asked if the website had been announced before the hotel proposal. Ms. Arkin stated it had. Mr. Mays said nothing moved forward during the time of the hotel proposal consideration.

Mr. Curry gave a brief overview of the website and the online proposal opportunity, and some of the expected changes. The site will allow developers to gain the necessary information about the site, the RFP for the site, submit RFPs, and other actions. They may be required to submit a hard copy proposal as well.

There will also be a positioning statement, or a general mission for the project, which will go out to the Commission in the next few weeks. The theme line developed by the consultant is "The Excitement Is Building" and currently being used on the website and on signage at the project site. Other marketing products will also be brought before the Commission for feedback including press releases and outreach to developers through various publications and organizations.

Mr. Curry stated the plan has a two phase process. 1) Pre-marketing: getting the word out about the project, building interest in the development opportunity. This will take place over the next two months prior to issuing the RFP. This is to get the word out about the project, which allows developers to think through how they might respond. They would also like to solicit responses from the development community, which may inform the way the RFP is written 2) Finalizing and releasing the RFP: the plan is to go to RFP in the April timeframe, after Commission's review and approval. This would include Commission direction and approval of an RFP.

Ms. Rogers asked what role the advisory group would have. Mr. Curry stated he wanted to be clear that the advisory group is not intended to make suggestions on which developer to award the project to, but provide more detailed advice and feedback to the Commission from people who do this kind of work, perhaps developers who have done this type of work or urban designers who have designed this type of project, and someone who has a feel for the community. It will help fill the technical gaps that staff has since they don't regularly do this kind of work. Final decisions on developers will be made by the Commission. Staff is still attempting to put together a list of possible advisors and will present suggestions to the Commission next month, probably from outside Greensboro to prevent potential issues with people who work locally.

Chair Leimenstoll asked if the City was willing to compensate these advisors. Mr. Curry suggested we offer travel expenses, but did not look at this as a contracted position. But if there is not willingness, compensation may need to be considered.

The entire process is planned to take place in this order: Pre-marketing, RFP finalization, developer selection, negotiations, and start development. A rough timeframe was presented to the Commission. The process won't happen overnight and it may take 3-6 months once you have chosen a developer because there is substantial time in design work, financing, and other aspects. Staff hopes to have a master developer by the end of 2010 and be on the way to a formalized development agreement and property transaction.

Chair Leimenstoll asked about the status of site remediation efforts. Ms. Harris stated that environmental assessment activity was completed in 2006, and the City contracted environmental remediation services in July 2009 for just under \$1.1 million. Remediation was planned to take three months, but weather has caused delays. There are still holes in the ground that need to be filled and old debris to be removed and coal dust that needs to be removed. Remediation is now planned to be completed, after two dry weeks, in three to four weeks.

Mr. Mays asked how much was paid to the marketing consultant. Ms. Arkin stated the approximate total for the contract was \$47,000, and that included the website, a community information plan for one of the EPA grants, the marketing structure presented to market the site and procuring a developer, and the marketing and communication plan. This was done through RFP. Mr. Mays asked for a copy of their proposal. Ms. Arkin stated that she would provide the Commission with a copy of the RFP and proposal.

Mr. May asked if their work was suspended during the hotel proposal. Ms. Arkin stated they provided guidance on how the initial plan could be modified concerning the property not included in the hotel proposal. The majority of the work was completed before the hotel proposal, including the website and community plan. The marketing/communications plan was not completed. The first draft was provided before the proposal, but it was determined to wait to finalize it until the time was right. The contract does not include market study, end use, or feasibility. This company does that but it's not part of this contract.

Ms. Rogers asked when their period of performance ends. Ms. Arkin stated that she would provide that information with the RFP and proposal and contract.

Mr. Mays stated that the Commission spent a number of years getting a plan for South Elm Street, spent of money to create an identity and go to an RFP process for a master developer. That was suspended while selling a part of the project was explored, which now has been rescinded. He suggested this is the time to revisit a number of basic assumptions of the project rather than just picking up where we left off. Mr. Mays asked if Council and the Manager have communicated to staff that they support the original vision of the South Elm project. Mr. Curry stated that they have not had the opportunity to voice their support. Mr. Mays has a problem with assuming that that is still the case.

Mr. Mays stated that this hotel project is still going through a political process. It is also important that even though there seems to be support from Council and the Manager, three or four aren't very knowledgeable about the South Elm project and the amount of money it may take to support development of this project. He stated that at this point Greensboro is the master developer of the project, and staff is not qualified to be a developer of this project. The development community has been thinned out by the economy, and practically none can do this project without financial assistance from the City, either through financing, COPs or a parking deck. He feels it's time to have a heart to heart with the Manager and the Council to see what they're willing to support because they may just say the City doesn't have the money to be a partner in this developer. He states with the value of the property, there will likely be infrastructure, utility, and stormwater concerns that will require financial support and Council may not be equipped to handle that request.

He also asked what is to prevent prevent an institution or foundation or someone of means from buying a piece of property while you are doing this plan? He served as liaison for the technical team and talked about it at a couple meetings, but that was stopped when the hotel came into the picture. He stated that buy-in from the Manager's Office and the City Council for the plan as

it stands. He would support a meeting with the Council and Manager to discuss their support for the project. He stated the people with technical expertise he talked to who were willing to help have backed off because of the hotel. The developers do not want to get involved with a project that can change midstream and the folks he had talked with do not want to be a part of it. Developers take a lot of risk, are often judged poorly by the press, but they often put money into things other people don't see as worth doing, and they generally create great things from nothing. They prefer not to work in the public eye. There is a natural division between trying to do the public good and trying to allow a developer the chance to do what he does best. If the City wants to be the developer of the property, or to sell the property, but the Commission does not have that call; the Manager and the Council have that call, and it was extremely clear during the hotel thing, which is not done yet. That group will still make a request for public funds to build a parking garage to make their project work. It will be interesting to see which project gets the parking deck and how it's financed. There is also an 11 million dollar budget shortfall, so he thinks we need to hear from Council before you move ahead.

Chair Leimenstoll stated that developers do not like surprises, and the Commission, Council, and the Manager need to work to clear up any issues that may discourage developers from getting involved. He stated he has been involved with the project since before the City was involved, and he wants to see it happen as it was planned, but we need to be thoughtful and cautious about it.

Ms. Rogers stated that the budget shortfall makes a big difference and in light of the fact that there is a new Council, new Manager, and a budget shortfall, their input is even more important. She would feel more comfortable as well if they had buy-in from them.

Mr. Curry stated that he agrees with almost everything that has been said. He agrees that the amount of social and political capital has been lost because of the publicity of the last few months. Every time something is taken away, we lose something. Our job is to figure out how to rebuild that image and that social capital support for the project. Staff is working on capital budgets that include funding for the infrastructure improvements for the project, funding for development assistance, a funding plan for financial assistance with the parking lot, which may involve Certificates of Participation. Some work is part of the budget process for the next year, which will work through the City budget process. Staff will work to make sure that there are the resources needed for this project and that will work through the City Manager's office and ultimately through Council. He fully supports the need to make sure the City administration and City Council are fully aware of the direction the project is going and the support that will be needed. Mr. Mays stated that going through this process again will injure forever the chance to develop a quality project downtown, that they will only get one more chance.

Chair Leimenstoll asked where Community Retail Catalysts was from. Ms. Arkin stated they were from the D.C. area. Chair Leimenstoll asked for more explanation on the project mission and theme. Mr. Curry stated that the project mission would be the vision for the project as an end result in 10 or 15 years. Chair Leimenstoll asked where the input for the vision came from. Mr. Curry stated that the input for this mission was developed the original redevelopment planning process, the redevelopment plan, notes from the CAT team, and more recently community meetings. Ms. Arkin stated staff met with the consultants for a half day work session as well. EPA required, as part of the remediation grant, a community plan which was utilized as well.

Chair Leimenstoll asked what the vision was defined as. Mr. Curry stated he was not prepared to give a clear concise statement at this time. Chair Leimenstoll stated the vision has two roles and the role is [in the heart] where it's felt and understood in the community. He asked what role

the Commission plays in developing that vision. Mr. Curry stated that the vision educates and informs their planning work as they put a proposal together. Chair Leimenstoll stated that the vision is about what life will exist at this site 10 years from now, not just the building, and it may not be a development question.

Chair Leimenstoll asked what strengths staff in HCD has and how do those come together to put this project together. He asked to be given that information later. He stated it is important for the Commission to know this in order to put an advisory group together. It will also help in deciding what type of support this group could bring and when they would be involved and we may need to pay these professionals for their time.

Mr. Curry stated that the Commission needs to understand what roles staff, the Commission and the advisory committee bring to the process. Mr. Mays asked if staff needed anything from the Commission to assist them in getting information and direction from Council and the City Manager. Mr. Curry stated that staff understood this was important and would have the conversation with the City Manager's office to see how they want to handle it. Chair Leimenstoll asked if it would be possible to hear it directly face-to-face from the City Manager.

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There being no further business before the Commission, the meeting adjourned at 5:38 PM.

Respectfully submitted,

Dan Curry,
Secretary, HCD

DC/jd